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BrightSphere Investment Group Inc. Announces Divestiture of Affiliates Barrow, Hanley, Mewhinney & Strauss and Copper Rock Capital Partners

- Approximately $335 million of expected after-tax proceeds from the divestitures enabling us to reduce debt and repurchase shares, which could generate double digit accretion to 2021 ENI per share, while also allowing us to further support affiliate growth by seeding new strategies
- Improved organic growth profile as pro forma business has historically generated positive net flows
- Valuation received underscores high intrinsic value of the company's businesses relative to the company's current trading levels

BOSTON, MA – BrightSphere Investment Group Inc. (NYSE: BSIG) today announced that it has entered into definitive agreements to sell its interests in affiliates Barrow, Hanley, Mewhinney & Strauss, LLC ("Barrow Hanley") and Copper Rock Capital Partners, LLC ("Copper Rock").

BrightSphere has entered into a definitive agreement to sell its 75.1% ownership interest in Barrow Hanley to Perpetual Limited (ASX: PPT), an Australian publicly listed financial services company, for $319 million. In addition, Perpetual Limited will redeem BrightSphere's seed capital investments in Barrow Hanley strategies at closing, which had a market value of approximately $44 million as of June 30, 2020. BrightSphere anticipates utilizing a portion of its deferred tax assets to off-set cash taxes associated with the transaction, resulting in total expected after-tax proceeds of approximately $320 million including the seed capital.

As of June 30, 2020, Barrow Hanley, a value oriented investment manager with a 40-year track record, had assets under management of $44 billion and estimated year to date GAAP net income attributed to controlling shareholders and Adjusted EBITDA of $17 million and $20 million, respectively[1]. The transaction is subject to customary regulatory approvals and closing conditions and is anticipated to close in the fourth quarter of 2020.

Separately, BrightSphere has agreed to sell its equity interests in Copper Rock to Spouting Rock Asset Management LLC and Copper Rock management. BrightSphere anticipates total after-tax proceeds from this transaction of approximately $15 million, including seed capital but excluding upside sharing arrangements.

[1] See our investor presentation, *Brightsphere Announces Divestiture of Two Affiliates – Barrow, Hanley, Mewhinney & Strauss, LLC and Copper Rock Capital Partners*, dated July 26, 2020, for a reconciliation of Adjusted EBITDA to U.S. GAAP net income attributable to controlling interests for the six months ended June 30, 2020.

Suren Rana, BrightSphere's President and Chief Executive Officer said, "Following the transactions, our pro forma business will be much more focused on our diversified quantitative and secondary private market strategies and will have a history of consistently generating positive net flows."

"Additionally, these transactions highlight the high intrinsic value embedded in our businesses relative to our stock's current trading levels. Proceeds from these transactions will allow us to pay down debt and return capital to shareholders through repurchases, which could result in double digit accretion to 2021 ENI per share while also providing capital to support the continued growth of our remaining affiliates by seeding new strategies."

"Finally, I would like to thank our talented teams at Barrow Hanley and Copper Rock for their contributions to our business all these years by relentlessly serving their clients. They are landing in synergistic homes committed to their continued progress and we wish them well in their future initiatives."

Morgan Stanley acted as exclusive financial advisor to BrightSphere in connection with the sale of Barrow Hanley. Ropes & Gray LLP served as the legal advisor.

BrightSphere will host a conference call to discuss the transaction at 11:00 A.M. Eastern Time on July 27, 2020. Participants may dial (844) 445-4807 (domestic) or (647) 253-8636 (international) and use the conference ID 1158056. In addition, a copy of the presentation slides to be presented on the conference call are also available at ir.bsig.com. A replay of the call will be available beginning approximately one hour after its conclusion either on BrightSphere's website, at ir.bsig.com or by dialing (800) 585-8367 (domestic) or (416) 621-4642 (international) conference ID 1158056.

About BrightSphere

BrightSphere is a diversified, global asset management company with approximately $162 billion of assets under management as of March 31, 2020. Through its world-class investment management Affiliates, BrightSphere offers sophisticated investors access to a wide array of leading quantitative and solutions-based, private and public market alternative, and liquid alpha strategies designed to meet a range of risk and return objectives. For more information, please visit BrightSphere's website at www.bsig.com. Information that may be important to investors will be routinely posted on our website.

Forward Looking Statements

This press release includes forward-looking statements, including those related to the after-tax proceeds from our disposition of Barrow Hanley, the expected closing date of the transaction, Barrow Hanley's financial results for the six months ended June 30, 2020, our liquidity and use of capital resources, including share repurchases and expected ENI per share accretion, and the performance of our Affiliates. The words or phrases "expect," "anticipate," "estimate," and other similar expressions are intended to identify such forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. Such

statements are subject to various known and unknown risks and uncertainties and readers should be cautioned that any forward-looking information provided by or on behalf of the Company is not a guarantee of future performance.

Actual results may differ materially from those in forward-looking information as a result of various factors, some of which are beyond the Company's control, including, but not limited to, those discussed in the Company's most recent Annual Report on Form 10-K, filed with the Securities and Exchange Commission on March 2, 2020, Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on May 11, 2020, and subsequent SEC filings, including risks related to the disruption caused by the COVID-19 pandemic, which has and is expected to continue to materially affect our business, financial condition, results of operations and cash flows for an extended period of time, as well as those related to the expected closing of the transaction, the timing of such closing and the satisfaction of necessary closing conditions. Due to such risks and uncertainties and other factors, the Company cautions each person receiving such forward-looking information not to place undue reliance on such statements. Further, such forward-looking statements speak only as of the date of this press release and the Company undertakes no obligations to update any forward looking statement to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

Non-GAAP Financial Measures

This communication contains non-GAAP financial measures. Reconciliations of GAAP to non-GAAP financial measures are included in the Appendix of this communication. Adjusted EBITDA is defined as economic net income before interest, income taxes, depreciation and amortization. The Company notes that its calculation of Adjusted EBITDA may not be consistent with Adjusted EBITDA as calculated by other companies. The Company believes Adjusted EBITDA is a useful liquidity metric because it indicates the Company's ability to make further investments in its business, service debt and meet working capital requirements.

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